
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

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ODOMETER FRAUD

As the average price of new cars hovers in the \$20,000 range, there is increasing demand for low-mileage used cars, which creates a greater incentive for odometer fraud. To avoid becoming a victim of odometer fraud, consumers need to be well informed when buying used cars.

Odometer reading is an accepted means of determining both the condition and the dollar value of a motor vehicle. After a vehicle has been driven for a while, certain systems need routine safety checks and repairs. If the odometer is turned back, mechanical problems, which could affect safety, may go unchecked and un-repaired.

A typical situation of odometer fraud involves wholesalers who roll back mileage on used cars and sell them to an auction house or directly to a dealer. However, the growing number of motorists who lease cars has led to an explosion in odometer fraud as private individuals turn back their odometers to qualify for warranty work or to avoid excess mileage penalties on an expiring lease. Also, the increasing popularity of purchasing vehicles over the Internet creates new opportunities to mislead consumers.

Because you could purchase a car with 30,000 miles on the odometer but 80,000 miles of road wear, you could end up paying more than you should and risk costly repairs. Protect yourself by having a qualified mechanic look at the car before you buy it. A good mechanic can tell whether an odometer has been tampered with.

You may also want to do a title search, which can identify hidden problems. A title search will provide the current and previous owners' names and addresses, purchase dates and prices, sales tax, whether the owner is a car dealer, whether there are liens against the car, and the odometer readings. These searches can be done on the Internet and costs vary according to the program you access. You may request a search with regard to the most recent owner or with regard to all of the owners. You will need the vehicle identification number to conduct the title search. This number appears on the registration form and somewhere on the car, usually on the dashboard of newer cars.

One source of information is available through Carfax, a leading provider of vehicle history information to the automotive industry. Its information system includes 200 million car transaction records that can help identify salvage, junk, rebuilt, or damaged parts as well as including details on each title transaction. Carfax has an on-line service located at <http://www.carfaxreport.com>. To purchase a Carfax report online, users will need the vehicle's 17-character identification number and a major credit card.

The report transmits directly from Carfax to a user's computer. Besides Carfax reports, the site also provides tips for purchasing used cars.

Here are some tips about odometer tampering:

- Disconnecting an odometer, turning back an odometer, and driving with a disconnected or nonfunctional odometer is a violation of state law.
- Low mileage on an older vehicle should be a red flag.
- Be suspicious of vehicles being sold by people other than the registered owner.
- To assist in verifying the odometer reading:
 - Look for oil stickers, service records, or warranty cards that may reflect the mileage of the vehicle.
 - For comparison, ask to see the odometer statement that the seller received when he bought the vehicle.
 - If buying from a dealer, contact the previous owner to verify the mileage and condition of the vehicle.

If you have evidence of odometer tampering or questions about odometer fraud, contact your local North Dakota Highway Patrol office or the state headquarters at 701-328-2455.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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